GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:66
ANSWERED ON:22.11.2012
SOLAR POWER EQUIPMENT PROJECT OF BHEL
Muttemwar Shri Vilas Baburao;Sharma Shri Jagdish

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government is aware that the cheaper equipment imported from China have become a threat for Bharat Heavy Electricals Limited's solar power equipment project; and

(b) if so, the details thereof and steps taken by the Government to protect Indian solar power equipment manufacturing industry?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a): Yes, Madam.

(b) : The Chinese dominate the manufacturing segment in the world market, and have a share of about 57% using crystalline technology as per one estimate. This is affecting photo-voltaic (PV) manufacturers worldwide. Presently it is estimated that the global production capacity for solar power items/ equipment is in excess of the demand worldwide. This over capacity coupled with cheaper prices offered of the Chinese manufactured cells & modules is a threat for Indian solar equipment manufacturers including BHEL.

Government of India has taken following steps under Jawaharlal Nehru National Solar Mission (JNNSM) to protect Indian Solar Power Equipment Manufacturing Industry :

i)All Solar Power Developers under Phase-I of JNNSM, using Crystalline Silicon Technology, are required to procure Cells and Modules manufactured in India.

ii)As per Government of India, Ministry of Finance (Department of Revenue), Notification No. 25/1999 − Customs dated the 28th February 1999 (G.S.R. 161 (E) dated the 28th February, 1999) Custom Duty Exemption is extended on goods required for manufacturing of Solar Cell and Modules.

Further, all items of machinery required for initial setting up of a solar power generation project or facility are fully exempt from excise duty under Notification No. 15/2010-CE dated 27.02.2010 subject to fulfillment of certain conditions mentioned therein. Moreover, such goods enjoy concessional rate of customs duty of 5% adv. Vide Notification No. 1/2011- Customs, dated 06.01.2011.